

**ASSESSMENT APPEALS BOARD MINUTES
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA**

Friday, April 22, 2005

The Assessment Appeal Board of the County of San Luis Obispo, State of California, met in regular session at 9:00 o'clock A.M., in the Board of Supervisors Chambers, County Government Center, San Luis Obispo, California.

PRESENT: **Appeals Board Members** Mr. Kem Weber, Ms. Jenele Buttery and
Chairperson Tom Baron

ABSENT: **Appeals Board Member** None

Mr. Wyatt Cash and Mr. Jim Orton, Deputy County Counsels, are present and represent the Assessment Appeals Board.

Mr. Warren Jensen, Deputy County Counsel, is present and represents the Assessor.

Mr. Tom Bordonaro, County Assessor, Ms. Lesa Silva, Mr. Cory Powell, Ms. Cheryl Roberts, Mr. Bob Spurgeon, Ms. Charron Sparks and Mr. Rod Hallin, Deputy Assessors, are present and sworn.

- (1) This is the time set for members of the public wishing to address the Board on items not set on the Agenda.

Chairperson Baron: opens the floor to the public without response.

- (2) **Continued hearing from March 18, 2005 for Application Nos. 2002-38, APN 800,026,683; 940,002,101; and 940,002,102; PAC Landing Corporation, is presented.**

The applicant is not present.

Mr. Hallin: presents stipulation to Board for approval; date of value January 1, 2002, for APN 800,026,683, the full value of Personal Property is \$11,242,983, the full value of Fixtures is \$0, for the total value of \$11,242,983; APN 940,002,101, the full value of land is \$1,144,440, the full value of improvements is \$0, for a total value of \$1,144,440; for APN 940,002,102, the full value of land is \$0; the full value of improvements is \$0 for a total value of \$0.

Thereafter, on motion of Mr. Weber, seconded by Ms. Buttery and unanimously carried, the Stipulation for Application No. 2002-38, PAC Landing Corporation, is approved with the stipulated values as follows: date of value January 1, 2002, for APN 800,026,683, the full value of Personal Property is \$11,242,983, the full value of Fixtures is \$0, for the total value of \$11,242,983; APN 940,002,101, the full value of land is \$1,144,440, the full value of improvements is \$0, for a total value of \$1,144,440; for APN 940,002,102, the full value of land is \$0; the full value of improvements is \$0 for a total value of \$0.

- (3) **Application No. 2004-29, APN 910,004,530, Harold T. Byrd,, is presented.**

Mr. Powell: states matter was heard by the Board in September 2003

Ms. Roberts: describes property and presents Assessor's case (**Assessor's Exhibit A - Appraisal**) recommends holding Assessor's roll value for improvements at \$80,500.

Mr. Byrd: presents his case (**Applicant's Exhibit 1 - Manufactured Housing Building Specifications for Quality Class 7, Applicant's Exhibit 2 - Manufactured Housing Building Specifications for Quality Class 6**); states wants to be appraised as a quality class 6.

Ms. Roberts: presents (**Assessor's Exhibit B - Quality Class Spreadsheet, Assessor's Exhibit C - Photos from State Board of Equalization Manual regarding quality classes, Assessor's Exhibit D - Upgrades and Options Sheet; Assessor's Exhibit E - Property Tax Law Guide Rule 5802, 5803**); states once base year is established property is subject to indexing.

Thereafter, on motion of Mr. Weber, seconded by Ms. Buttery and unanimously carried, the Board uphold the Assessor's value on the roll as follows: date of value January 1, 2004, on APN 910,004,530, the full value on the roll for improvements and the total value is \$80,500.

- (3) **Application Nos. 2003-68 and 2004-87, APN 004,961,074, Kindred Nursing Centers West, LLC, are presented.**

Mr. Lawrence May: representative for Applicant, is present and sworn.

Mr. Spurgeon: describes property.

Mr. May: discusses functional obsolescence, physical and functional use of building, states cost approach value is \$1,213,000; income approach value is \$0; full market value of property is \$1,500,000.

Mr. Jensen: questions Mr. May on his credentials and years of the property appraisal experience with Mr. May responding.

Mr. Spurgeon: presents Assessor's case (**Assessor's Exhibit A - Appraisal**); discusses base year value established in 1985 and no value changes have occurred other than yearly indexing; depreciated cost approach value of property for 2003 at \$3,660,000 and \$3,745,000 for 2004; income approach values property at \$3,440,985 to \$4,355,000; recommends upholding the Assessor's roll values for APN 004,961,074, date of value January 1, 2003, the full indexed value of land is \$917,595; the full indexed value of improvements is \$2,523,390; for a total indexed value of \$3,440,985, Application No. 2004-87, date of value January 1, 2004, APN 004,961,074, the full indexed value of land is \$934,726; the full indexed value of improvements is \$2,570,501; for a total indexed value of \$3,505,227.

Mr. May: discusses the functional aspects of the property; economic depreciation should be used but the Assessor's 50% depreciation is too low; only cosmetic upgrades have been done to the property; the Assessor's comparable sales are too old and are not based on the new legislation, doesn't believe the comparables would sell for the same price today.

Thereafter, on motion of Mr. Weber, seconded by Ms. Buttery and unanimously carried, the Board upholds the Assessor's values on the roll as follows: Application No. 2003-68, APN 004,961,074, date of value January 1, 2003, the full indexed value of land is \$917,595; the full indexed value of improvements is \$2,523,390; for a total indexed value of \$3,440,985, Application No. 2004-87, date of value January 1, 2004, APN 004,961,074, the full indexed value of land is \$934,726; the full indexed value of improvements is \$2,570,501; for a total indexed value of \$3,505,227.

- (4) **Continued hearing from January 28, 2005 for Application Nos 2003-123 and 2004-005, APN 003,544,003, Howard E. Carroll, is presented.**

Mr. Howard Carroll: is present and sworn.

Mr. Jensen: presents (**Assessor's Exhibit 3 - Hearing Brief**) and reminds Board of prior hearing; issue before Board today is methodology used only; the applicant has stipulated to a value, which was approved by the Board at the January 28, 2005 hearing; states the State Board of Equalization (SBE) agrees with the Assessor's methodology; discusses the Federal Income Tax cases presented in Applicant's Exhibit C; discounts were given only when documented change of control occurred; states Board should deny Applicant's request for discount.

Mr. Carroll: states market value should be discounted; fractional transfer taxes discount are recognized by Federal Courts; would present evidence to support discount if Board agrees discount should be given; quotes Assessor's Office Mission Statement.

Mr. Weber: questions whether the Board should rely upon State law or Federal law; needs direction from County Counsel.

Mr. Jensen: Federal law is the highest but California Property Taxes not addressed in any of the cases in Applicant's Exhibit C; SBE legal opinion supports the Assessor's methodology; Board's use of the SBE opinions as advisory but usually follows the lead of SBE.

Mr. Baron: states the Board's past practice has been to follow SBE recommendations.

Mr. Carroll: presents (**Applicant's Exhibit D - Applicant's opinion of values with appropriate discount**) if the Board supports a fractional discount then he will present evidence to support the discount.

Ms. Sparks: needs the Board to determine if the correct methodology was used; if the Board agrees with the Applicant then they'd want to continue the matter to allow time to time to further discuss the matter with the Applicant.

Thereafter, on motion of Ms. Buttery, seconded by Mr. Weber and unanimously carried, the Board determines the Assessor's Office used the appropriate methodology and the values agreed to in the signed stipulation to enrolled.

Mr. Carroll requests Findings of Fact. The Assessor's Office will prepare proposed findings and send a copy to the Applicant and County Counsel with the final approval being submitted to the Board at their July 18, 2005 meeting.

- (5) **Application No. 2004-26, APN 076,222,003, Richard W. Parker,** is presented.

The Applicant is not present.

Thereafter, on motion of Mr. Weber, seconded by Ms. Buttery and unanimously carried, Application 2004-26, Parker, is denied for non-appearance.

- (6) **Application Nos. 2004-46 & 2004-48, APN 008,121,034 and 049,141,053, Bay Area/Diablo Petroleum Co.,** is presented.

The Applicant is not present.

Thereafter, on motion of Mr. Weber, seconded by Ms. Buttery and unanimously carried, Application Nos. 2004-46 and 2004-48, Bay Area/Diablo Petroleum Co., is denied for non-appearance.

- (7) **Application Nos. 2004-94, APN 091,301,061, Salvador Ortiz,** is presented.

The Applicant is not present.

Thereafter, on motion of Ms. Buttery, seconded by Mr. Weber and unanimously carried, Application No. 2004-94, Ortiz, is denied for non-appearance.

- (8) **Minutes for the March 18, 2005 Assessment Appeals Board Hearing,** are presented.

Thereafter, on motion of Mr. Weber, seconded by Ms. Buttery and unanimously carried, the minutes of the March 18, 2005 Appeals Board Hearing are approved as presented and the Chairperson is instructed to sign the same.

- (9) **This is the time set for Board members, Assessor and/or Staff to bring up items to be discussed at the next meeting.**

Chairperson Baron: calls for comments.

Mr. Cash: presents the Appeals Court ruling upholding the Board's decision regarding the Harker Wade appeal.

On motion duly made and unanimously carried, the Assessment Appeals Board of the County of San Luis Obispo, State of California, does now adjourn.

Chairperson

ATTEST:

JULIE L. RODEWALD, County Clerk-Recorder
and Ex-Officio Clerk of the Assessment Appeals Board

By:

Deputy Clerk-Recorder

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